Alberta
GAMING AND LIQUOR COMMISSION

AGLC response to the Bingo Review Committee recommendations — July 2000

A) GENERAL

1. ***The AGLC should appoint a provincial bingo manager to oversee licensed bingo in the province and act as the primary liaison between the AGLC and the bingo industry.***

   The AGLC **accepted** this recommendation, and on January 10, 2000, the position of Manager, Bingo Programs was created and filled. The position was created to improve communication within the bingo industry, increase consistency in developing and enforcing bingo policy, and help implement recommendations from the 1999 bingo industry review.

B) LICENSING CHARITABLE AND NON-PROFIT GROUPS

1. ***New bingo licences, and the renewal of existing ones, should be granted by the AGLC based on the applicant's proven delivery of charitable services or programs, its budget, and its need for funds, in addition to the existing eligibility criteria.***

   The AGLC **accepted** this recommendation and is consulting with stakeholders and drafting new eligibility criteria relating to an organization's proven delivery of charitable programs and services, budget and need for funding.

2. ***All existing bingo licences should be assessed by the AGLC against the suggested three new criteria to determine future eligibility for licence.***

   The AGLC **accepted** this recommendation.

3. ***"Spin-off" groups and "related" groups should be restricted in their ability to obtain bingo licences.***

   The AGLC **accepted** this recommendation and is preparing a clear, comprehensive definition of those terms.

4. ***The definition of a charitable organization, or of "charitable purpose or object" should be examined by a committee of the appropriate provincial agencies, in keeping with the review of such matters now occurring at the national level.***

   The AGLC **accepted** this recommendation and is preparing a clear, comprehensive definition of those terms.

C) ACCESS TO ASSOCIATION BINGO

1. ***The AGLC should establish a central registry of charitable organizations wishing to access association bingo.***

   The AGLC **accepted** this recommendation and is working towards creating a central registry.

2. ***The AGLC should establish a new bingo application process for association bingo, to complement the recommended central registry of charitable organizations.***

   The AGLC **accepted** this recommendation.

3. ***The AGLC and association bingo stakeholders together should consider ways to further reduce inconsistencies after the granting of bingo licences. For example, bingo association bylaws could include various specific clauses that directly affect questions of access and allocation of bingo slots.***

   The AGLC **accepted** this recommendation and will work with FABA to establish reasonable criteria for membership in bingo associations and the allocation of bingo events.

4. ***Charitable organizations that are members of bingo associations should voluntarily examine whether they need the number of bingo slots they have, and whether they can give up slots to other organizations conducting charitable work in their own communities.***

   The AGLC **accepted** this recommendation and will encourage all organizations to voluntarily examine their need for gaming proceeds.

5. ***The response by stakeholders to the matter dealing with access to bingo by First Nations and Metis organizations was relatively low and data is lacking or insufficient to arrive at a recommendation.***
   The AGLC has **no comment** for this recommendation.

6. ***The AGLC should continue to exercise its discretion in assessing whether to grant new bingo facility licences or, where appropriate, refuse to grant such licences. The AGLC's assessment in this matter should be based on practical and reasonable considerations, such as demographics, shifting trends, population base and other market realities.***

   The AGLC **accepted** this recommendation. It is consistent with existing policy.

7. ***Any new bingo associations wishing to operate at least seven events per week should have at least 20 member charitable organizations. At least two new additional member charitable groups should be required for each additional event beyond the seven per week. Existing bingo associations operating at least seven events per week and with fewer than 20 members should meet this requirement by April 1, 2000.***

The AGLC **accepted** this recommendation.

8. ***Bingo associations should be encouraged to give special consideration to community bingo groups that are willing to end their community bingo events and join a bingo association.***

The AGLC **accepted** this recommendation. It is intended to reduce competition between licensees and increase net revenue to charities.

9. ***Charitable organizations that operate bingo should not at the same time be a member of a bingo association.***

The AGLC **partially accepted** this recommendation. Organizations conducting community bingo events on an on-going basis (more than six events per year) cannot be members of a bingo association at the same time.

10. ***Charitable organizations unable to access bingo in their local community (for example town or city) should be able to access bingo in other communities, as provided under existing bingo policy. This access should be provided only if there are "slots" available in the other community and after local organizations have received first consideration for such slots.***

The AGLC **accepted** this recommendation.

11. ***FABA and the recommended AGLC bingo manager should review and address the complaints of charitable organizations wishing to access bingo associations.***

The AGLC **accepted** this recommendation. The AGLC Bingo Manager and FABA will develop policies and procedures that address this issue.

D) CONDUCTING AND MANAGING BINGO GAMES/EVENTS

1. ***A bingo hall should have the flexibility to introduce any new game that falls within the current policy definition of a bingo game. The bingo hall must notify the AGLC 48 hours prior to such a game being implemented.***

The AGLC **accepted** this recommendation. The AGLC is working to clearly define bingo game parameters. Bingo associations will be responsible for ensuring games in their bingo program fall within those parameters.

2. ***Keno should be made available to bingo halls only if the financial benefits to charitable groups outweigh the financial costs. However, if keno were to be introduced in casinos in Alberta before such an assessment could be made, it should be made available to individual bingo halls immediately based upon their own assessment of cost/benefit and subject to AGLC authorization.***

   The AGLC **deferred** this recommendation. Decision pending the licensing policy review.

3. ***The financial cost/benefit of introducing electronic bingo to bingo halls should also be determined in the near future. If the benefits are shown to outweigh the costs, electronic bingo should be authorized for individual bingo halls.***

   The AGLC **deferred** this recommendation. Decision pending the licensing policy review.

4. ***The introduction of other new bingo games, or an expansion of games such as linked bingo should only be considered after the benefits and costs of keno and electronic bingo are determined and the applicable recommendations made in this report are followed and implemented.***

   The AGLC **accepted** this recommendation, but new games are deferred, pending the licensing policy review.

5. ***One additional progressive bingo game should be permitted per event in association bingo facilities as part of the overall mix of bingo games available to bingo customers. The accumulated prize pool of the game should be excluded from the requirement of a $15,000 maximum prize payout limit per event, an exclusion that already exists for loonie pot and satellite bingo.***

   The AGLC **accepted** this recommendation. As of June 15, 2000, bingo associations are permitted to add one additional progressive bingo game per event to their approved program.

6. ***Maximum seating capacity in a bingo association hall should be dictated by local bylaw, fire regulation, and the maximum prize payout allowed per event under bingo policy.***

   The AGLC **accepted** this recommendation.

7. ***The maximum number of events presently allowed per day in association bingo should remain at two with the exception that the AGLC should have the flexibility to licence up to three events per day if there is only one association hall in the community (for example, town or city) and the bingo association operating it wishes to accommodate more charitable groups.***

   The AGLC **accepted** this recommendation. Potentially it will help reduce overhead and return more revenue to charities.

8. ***The maximum number of games allowed in bingo should remain at the current level of 75 per event.***

The AGLC **accepted** this recommendation. It promotes consistency among bingo operators.

9. ***The bingo licensee, operating on a voluntary basis, must continue to be the organization responsible for the bingo event, in keeping with the province's charitable gaming model.***

The AGLC **accepted** this recommendation. It is consistent with existing policy.

10. ***Only members of the charitable organization conducting a bingo event should hold key volunteer positions, such as bingo chairperson, paymaster, bonanza controller, or special games controller.***

The AGLC **accepted** this recommendation. It is consistent with existing policy and addresses possible security issues.

11. ***Any bingo volunteer who is not a member of the charitable organization must be made known to the bingo chairperson.***

The AGLC **accepted** this recommendation. It provides for increased security at the event level.

12. ***The only paid positions in association bingo should be those explicitly permitted under the existing bingo policy.***

The AGLC **accepted** this recommendation. It is consistent with existing policy.

13. ***The role of landlords in bingo should continue to remain as stated under the existing bingo policy.***

The AGLC **accepted** this recommendation and presently supports the current bingo association model.

14. ***Bingo facilities generating $150,000 or less in gross annual revenue should be permitted to schedule one day per week in which minors accompanied by an adult may play regular bingo games for cash prizes. The accompanying adult must buy the regular bingo cards for the minor.***

The AGLC **partially accepted** this recommendation and will draft policy to allow some small non-association bingo licensees to apply for an exemption from current policy.

15. ***The use of sealed bingo cards should be required for all special games in which certain numbers are pre-called or pre-determined by other criteria.***

The AGLC **accepted** this recommendation. It will improve integrity and security.

16. ***All association bingo facilities, and community bingo licensees generating $150,000 or more per year, should be required to use a video camera in the hall to broadcast and electronically record the selection of balls coming out of the blower.***

The AGLC **accepted** this recommendation. It will improve integrity of bingo events, facilitate complaint resolution and enhance player convenience.

17. ***Minors under 14 years of age who volunteer at bingo events should be prohibited from handling cash.***

The AGLC **accepted** this recommendation and will identify volunteer roles for minors at bingo events.

18. ***A policy of zero tolerance for shortages during bingo events should be established and implemented to the extent possible.***

The AGLC **accepted** this recommendation and will meet with FABA to discuss specific policy criteria.

19. ***Prizes for special games should be based on cards sold or in play rather than on cash received.***

The AGLC **accepted** this recommendation.

20. ***Only media bingo with a "local" focus should be permitted.***

The AGLC **accepted** this recommendation.

21. ***The AGLC should establish a policy requiring association bingo halls to have a separate, ventilated non-smoking area for bingo players as soon as possible.***

The AGLC **partially accepted** this recommendation. AGLC will encourage all bingo association facilities to provide a separate ventilated non-smoking area.

The enforcement of smoking regulations is the responsibility of the municipal government. AGLC policy states that all licensees must comply with all municipal, provincial and federal laws.

E) USE OF PROCEEDS (PRIZE PAYOUT, EXPENSES, NET PROCEEDS)

PRIZE PAYOUT

1. ***Maintain overall prize payout at any bingo hall at the maximum annual average of 65 per cent of gross bingo revenue. Community bingo licensees may apply to the AGLC for an exemption from this requirement.***

   The AGLC **accepted** this recommendation. It will ensure consistency in prize payouts among bingo association facilities and allow smaller community bingo licensees to apply for an exemption from this policy.

2. ***The maximum total prize payout for any "special" bingo game should be maintained at 60 per cent of sales. The regular bingo games should continue to be based on the pre-determined payout schedules and within the overall 65 per cent payout.***

   The AGLC **accepted** this recommendation. It is consistent with the current 65 per cent prize payout policy and will ensure consistency among bingo operators with regards to special game payouts.

3. ***The maximum total prize payout per event should remain at $15,000 (excluding the satellite game, progressive loonie pot accumulated prize pool, and the additional progressive games recommended in this report) and the annual prize payouts at a bingo hall over a one year period should not exceed 65 per cent of total annual gross revenue.***

   The AGLC **accepted** this recommendation. It is consistent with existing policy.

4. ***The payouts for "loonie pots" and additional progressive games as recommended in this report should be capped at a maximum of $10,000 (it may be capped at less than this amount). Once this cap is reached, the prize pool must be played off during the next day of bingo. The amount to be awarded during the play off would consist of the cap amount plus the amount accumulated after the cap was reached. Therefore, no reserve loonie pot may be accumulated during the period in which the capped amount is available to be won.***

   The AGLC **partially accepted** this recommendation. Each progressive pot will be capped at a maximum total of $10,000 and played off once that cap has been reached. The AGLC will implement a maximum 14-day time frame for the playoff to occur, during which time a reserve pot may be accumulated.

5. ***The existing policy effecting the total prize payout for satellite bingo should be continued.***

   The AGLC **accepted** this recommendation. It is consistent with current policy.

BINGO EXPENSES

6. ***Controlled bingo expenses, whether those of an association or community bingo organization, should not exceed 10 per cent of the annual gross bingo revenue.***

   The AGLC **accepted** this recommendation. It promotes fiscal responsibility and will ensure maximum return to charities.

7. ***A bingo association or community bingo organization should be required to conduct a lease or rental market analysis before entering into any lease or rental agreement for a bingo facility or renewing such an agreement.***

   The AGLC **partially accepted** this recommendation. The policy will only apply to bingo associations and community bingo licensees that operate bingo events on an on-going basis in rented facilities.

8. ***The AGLC, through the recommended bingo manager, in consultation with FABA, should establish a range of reasonable pay rates for paid positions within bingo association facilities.***

   The AGLC **did not accept** this recommendation. Bingo associations must comply with the 10 per cent of gross revenue controlled bingo expense policy. It is a bingo association's responsibility to ensure that salaries fall within this range.

9. ***A licensee of community bingo should have the option of hiring a part-time bingo hall manager to oversee the conduct of its bingo events. Expenses for this position would have to be covered within the 10 per cent maximum of gross bingo revenue allowed for controlled bingo expenses and be in line with the previous recommendation regarding pay rates.***

   The AGLC **accepted** this recommendation. If a need exists, community bingo halls will have the option of hiring a part-time bingo manager.

10. ***The AGLC must review its policy regarding bingo association expenditure in the area of conferences, seminars, and training sessions.***

    The AGLC **accepted** this recommendation and will review current policy with FABA.

NET PROCEEDS

11. ***All net proceeds from bingo events should be directed to the licensees' services and programs.***

    The AGLC **accepted** this recommendation. It is consistent with current policy.

12. ***Bingo licensees should endeavour to limit their administrative expenses to no more than 10 per cent of net proceeds. In any event, all administrative expenses must be approved by the AGLC.***

The AGLC **accepted** this recommendation and will draft a definition of "administrative expenses".

13. ***The benefits and disadvantages of pooling should be clearly communicated to bingo associations across Alberta, and should include the experience of those bingo associations that have established pooling.***

The AGLC **accepted** this recommendation and will work with FABA to prepare a discussion paper on revenue pooling.

14. ***Pooling should be made mandatory for all bingo associations by April 1, 2001. Pooling of revenue on a monthly basis, by experience, has proven to provide more benefits than the perceived disadvantages. It addresses industry wide issues.***

The AGLC **accepted** this recommendation and will work with FABA on implementation.

15. ***Each bingo association should determine the formula for distributing pooled revenue in a fair and equitable manner, and within some general standards.***

The AGLC **accepted** this recommendation and will work with FABA to draft general standards for distributing pooled revenue.

16. ***The use of credits should be allowed, but only to offset the cost of registration or competition fees in an acceptable charitable activity, such as amateur athletics.***

The AGLC **accepted** this recommendation. The AGLC Licensing division will review credit systems and make a recommendation to the AGLC Board.

F) REPORTING REQUIREMENTS

1. ***The AGLC should introduce and enforce a standardized, bingo-event, financial and inventory control system for bingo events conducted by all bingo associations and by community bingo licensees generating $150,000 or more in annual gross revenue from bingo.***

The AGLC **accepted** this recommendation and will work with FABA to develop standardized financial and inventory controls.

2. ***The AGLC should introduce and enforce a standard provincial bingo accounting system for the use of net proceeds by licensees and in the annual bingo financial reports of licensees.***

The AGLC **did not accept** this recommendation. AGLC will develop standards/guidelines for licensees to use when designing internal accounting programs.

3. ***The AGLC should continue to simplify bingo reporting requirements.***

The AGLC **accepted** this recommendation and is working on a proposal with FABA to simplify bingo reporting requirements.

G) ENFORCEMENT AND PREVENTION MEASURES

1. ***Establish a variety of new procedures in bingo, to help prevent illegal activity such as theft, fraud, etc. from occurring and to ensure the integrity of bingo games.***

The AGLC **accepted** this recommendation and will work with FABA to develop procedures that minimize opportunities for fraud and theft.

2. ***The following practices should be adopted in the signing of bingo account cheques: only executive members of licensed organizations should be signers or co-signers of bingo account cheques; only executive members of bingo associations should sign bingo association operating account cheques; the practice among charitable organizations of pre-signing cheques should be strongly discouraged; and, family members should not be co-signers of gaming account cheques.***

The AGLC **accepted** this recommendation.

3. ***Members of the same family should not hold paid positions that involve the handling of cash or bingo revenues in a bingo association.***

The AGLC **accepted** this recommendation and is working on a definition of "family".

4. ***An appointed provincial bingo manager, as recommended, should oversee and/or conduct a training program for all volunteers of charitable organizations which hold bingo, and make the program available to them upon request.***

The AGLC **partially accepted** this recommendation and will work with FABA to develop a training program for volunteers. The AGLC will oversee the program, but each bingo association will be responsible for delivering the program to its volunteers.

5. ***A system of "spot" audits by the AGLC should continue, and occur more frequently.***

The AGLC **accepted** this recommendation.

6. ***Volunteers or bingo staff engaging in theft or other illegal activity associated with bingo should be prosecuted.***

The AGLC **accepted** this recommendation. It is consistent with current policy, and the AGLC will work closely with the bingo industry to ensure that all theft and other illegal activities are reported.

7. ***A three-member board should direct and administer a bingo crime prevention program, to be funded by the AGLC.***

The AGLC **partially accepted** this recommendation. The Bingo Manager (with input from AGLC divisions) will work with FABA to develop a crime prevention program to be delivered in conjunction with volunteer training.

8. ***Bingo chairpersons, treasurers, and persons in charge of "loonie pots" should all be bonded for $10,000.***

The AGLC **partially accepted** this recommendation. Only bingo chairpersons, treasurers, and persons in charge of "loonie pots" of bingo associations and community bingos grossing over $150,000 per year need to bonded.

9. ***The bonding of hired bingo staff in association facilities should be increased to $25,000 from $10,000.***

The AGLC **accepted** this recommendation and will amend existing policy.

H) POLICY DEVELOPMENT & INDUSTRY RELATIONS, COMMUNICATIONS

1. ***All bingo policies should be contained in one document, the "red book", and generally apply to both association and community bingo, except where distinctions should be made.***

The AGLC **did not accept** this recommendation. Bingo Terms & Conditions and Operating Guidelines and Bingo Licensee Terms & Conditions are two separate documents, and a large portion of the Bingo Terms & Conditions and Operating Guidelines does not pertain to community bingos.

2. ***The primary role of the Federation of Alberta Bingo Associations (FABA) should be to provide bingo education and resource information to its members.***

The AGLC **accepted** this recommendation. The bingo industry is responsible for defining FABA's role.

3. ***FABA's secondary role should be as an advisory body to the AGLC on matters of legislation, regulation and policy related to bingo.***

The AGLC **accepted** this recommendation. The bingo industry is responsible for defining FABA's role.

4. ***To improve the overall effectiveness of FABA to the bingo industry as a whole, all bingo associations should be required to belong to FABA. In addition, FABA should accept as members those community bingo groups interested in joining its organization***

The AGLC **did not accept** this recommendation. AGLC does not support enforcing mandatory FABA membership.

5. ***FABA should determine an adequate budget to fulfil its recommended role and re-assess its fees accordingly.***

The AGLC **accepted** this recommendation. FABA is responsible for its membership and the members should determine an acceptable fee structure.

6. ***FABA should develop a job description(s) for the positions of bingo association representative/bingo hall manager. Bingo associations should be required to evaluate annually the performance of their association representatives against performance criteria.***

The AGLC **accepted** this recommendation and will provide bingo associations with sample evaluation forms.

7. ***The main distinctions of community bingo from association bingo should be as follows:***

- ***community bingo may hold up to two progressive bingo games per bingo event, in addition to the loonie pot provisions.***
- ***community bingo may continue to seed its progressive bingo games, but must do so within the maximum prize payout limit of 65 per cent of annual gross revenue.***
- ***with the prior approval of the AGLC, community bingo may exceed the 65 per cent prize payout amount.***

- ***community bingo may continue to hold the successful marathon bingo events, typically once per year, and to exceed the prize payout limit for these events with the prior approval of the AGLC.***

The AGLC **accepted** all components of this recommendation and will amend the Bingo Licensee Terms & Conditions.

8. ***The main distinguishing feature for any bingo hall should be whether or not it generates more than $150,000 in annual gross bingo revenue.***

The AGLC **did not accept** this recommendation. The distinguishing feature is whether bingo halls are association or non-association.

9. ***The "red book" must be reviewed by a committee comprising the AGLC and the bingo industry to ensure that it reflects the adopted bingo review committee recommendations, eliminates ambiguities and inconsistencies that may exist, and simplifies interpretation of the bingo policies and guidelines.***

The AGLC **accepted** this recommendation and is meeting regularly with FABA to review the "red book".